



## Oxnard Commercial Cannabis Application Phase 2 Evaluation Report

### CCB 2021-35 - DBO Investments OX, LLC dba From the Earth

Tracking Number - Applicant Name/DBA

228 South A Street, Oxnard, CA 93030

Proposed Location

Retail (Store-front)

License Type

#### SCORE SUMMARY

1,159 Points Received

1,200 Points Available

**96.58% Score**

Pass CBA & Local Equity Program

Criteria	Scoring Basis	Points Available	Points Received	Evaluation
<b>1 Business Plan (500 pts)</b>		<b>500</b>	<b>487</b>	
1.1 A budget for construction, operation and maintenance, compensation of employees, equipment costs, utility cost, and other operation costs.	Percentage	85	85	Addressed criteria.
1.2 Proof of capitalization in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets.	Percentage	90	90	Addressed criteria.
1.3 3-year pro forma for at least three years of operation.	Percentage	85	82	The pro forma showed revenue starting in November 2020 (pg 89 of PDF File #3). Applicants who received full points provided revenue projections that began in a realistic timeframe (e.g., after City licenses are awarded).
1.4 Fully describe hours of operation and opening and closing procedures.	All or none	50	50	Addressed criteria.
1.5 Fully describe the day-to-day operations for each license type being sought.	Percentage	90	80	See 1.6.1.d and 1.6.1.f below.
1.5.1 Additional criteria for RETAIL applications only:				
a. Describe customer check-in procedures.				
b. Identify location and procedures for receiving deliveries during business hours.				
c. Identify number of Point-of-Sales location and estimated number of customers to be served per hour/day.				
d. Describe the proposed product line and estimate the percentage of sales of flower and manufactured products.				Percentages of sales by product were provided for the Applicant's Port Hueneme (PH) and Santa Ana (SA) locations (pg 30 of PDF File #3) as an estimate of Oxnard's sales breakdown, however neither breakdown totaled 100%. PH's breakdown totaled 101.2% and SA's totaled 95.1%. Applicants who received full points for this criteria provided sales by product estimates that totaled 100%.
e. Describe the product handling procedures.				
f. If proposed, describe delivery service procedures, number of vehicles and product security during transportation.				The delivery section of the Business Plan (pg 24-26 of PDF File #2) failed to state the number of delivery vehicles and a search in the PDF for the keywords "car", "vehicle", "delivery", and "transport" failed to return results that met the criteria.
1.6 Fully describe cash handling procedures.	All or none	50	50	Addressed criteria.
1.7 Fully describe inventory control procedures including identification of point-of-sales and track and trace software.	All or none	50	50	Addressed criteria.
<b>Summary</b>	<b>Thirty-four percent (34%) of the proposed business is owned by Nextera LLC (c/o Dan Zaharoni), 33% by Sur L'Horizon LLC (c/o Kintu Patel), and 33% by 17LMTD LLC (c/o Jayson Quinones). Budget for construction and startup costs was projected to be \$925k. Funding will be provided through owner Zaharoni, utilizing funds available to him from a \$14.75M line of credit extended to his company, Zaharoni Industries. Applicant estimates it should take between 120-180 days to complete the renovation of the property after final building permits are secured. The proposed business will have 8 POS terminals and use the TREEZ POS system. Proposed product line will include flower (in Applicant's Port Hueneme store, 33.1% of sales), cartridges (30.6%), edibles (18.3%), prerolls (8.3%), extracts (6%) and other manufactured products/merchandise (4.9%), and will include brands like Cannadescent, Papa &amp; Barkley, Kushy Punch, Kiva Confections, and Henry's Original. Annual revenue projections start at approximately \$3.3M in Year 1 and grow to \$4.7M by Year 3.</b>			



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<b>2 Labor and Employment Plan (300 pts)</b>		<b>300</b>	<b>280</b>	
2.1 Describe compensation to and opportunities for continuing education and employee training.	<i>Percentage</i>	105	105	Addressed criteria.
2.2 Describe the extent to which the CCB will be a locally managed enterprise whose owners and/or managers reside within the Ventura County area.	<i>All or none</i>	45	45	Addressed criteria.
2.3 Describe the number of employees, title/position and their respective responsibilities.	<i>Percentage</i>	105	85	The list of positions on pg 37 of PDF File #3 included 7 main positions (excluding Maintenance and Security), however only 5 of them were described in the list of job responsibilities on pgs 38-40. Job responsibilities were missing for the Assis. General Manager and Sales Associate positions.
2.4 Thoroughly describe employee policies and procedures (complete manuals are not required to be submitted).	<i>All or none</i>	45	45	Addressed criteria.
<b>Summary</b> Proposed business expects to have approx. 20 full time employees, plus 5-10 delivery drivers initially. Delivery drivers could number up to 40 depending on demand. Salaries start at \$15 per hour plus tips for sales associates, delivery drivers and reception and range up to \$50 per hour for the general manager. Employee benefits include fully covered medical benefits and paid sick leave. Comprehensive orientation training will be no less than 10 business days and will include attending lectures, shadowing existing employees, reviewing the employee handbook and researching the company's product offerings. The ownership team resides outside the Oxnard/Ventura County area but has committed to hiring a minimum of 90% of its employees from the City of Oxnard. The organizational chart shows the business' executive management, VP, and Director level infrastructure.				

Criteria	Scoring Basis	Points Available	Points Received	Evaluation
<b>3 Safety Plan (200 pts)</b>		<b>200</b>	<b>196</b>	
3.1 The Safety Plan shall be prepared by a professional fire prevention and suppression consultant. An assessment of the facility's fire safety plan by a qualified licensed fire prevention and suppression consultant. An appropriate plan will consider all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation. Identify all gases and/or chemicals to be used and their storage locations (testing).	<i>Percentage</i>	70	66	Safety plan addressed the minimum required topics and referenced additional safety situations, but provided less detail on those additional situations than applicants who received full points.
3.2 Identify fire alarm and monitoring system including the name and contact information for the alarm company	<i>All or none</i>	7	7	Addressed criteria.
3.3 Describe accident and incident reporting procedures	<i>All or none</i>	8	8	Addressed criteria.
3.4 Describe evacuation routes	<i>All or none</i>	8	8	Addressed criteria.
3.5 Location of fire extinguishers and other fire suppression equipment	<i>All or none</i>	8	8	Addressed criteria.
3.6 Describe procedures and training for all fire and medical emergencies	<i>All or none</i>	8	8	Addressed criteria.
3.7 Describe and identify the location of all gas monitoring equipment. A detailed diagram of the overall facility's safety features.	<i>All or none</i>	7	7	Addressed criteria.
3.8 Written description of safety features, including but not limited to fire prevention, suppression, HVAC and alarm systems.	<i>Percentage</i>	70	70	Addressed criteria.
3.9 Clarify if your building has sprinklers?	<i>All or none</i>	7	7	Addressed criteria.
3.10 What date was the subject building constructed?	<i>All or none</i>	7	7	Addressed criteria.
<b>Summary</b> The proposed business' fire safety plan was assessed by Leyth Dauod of RFS Consulting. The building was constructed in the early 1960s and the proposed space is 4,000 sq. ft. The Plan considered fire and medical situations. The diagram showed the following safety features: fire extinguishers and evacuation routes. Applicant will use GI Security and Security Marketing King for its alarm and monitoring system.				



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<b>4 Security Plan (200 pts)</b>		<b>200</b>	<b>196</b>	
4.1 The Security Plan shall be prepared by a professional security consultant. A thorough Security Plan should consider all access control, inventory control, cash handling procedures. Complete policy/procedures manuals are not required at this point of the application process. Please only provide a detailed description for each criteria.	<i>All or none</i>	30	30	Addressed criteria.
4.2 Premises (Security) Diagram. In addition to diagrams submitted for other sections of the application, applicants are expected to submit a premises diagram (floor plan, detail) which, focuses on the proposed security measures and how they relate to the overall business. (Pursuant to CCR Title 16, Division 42, §5006. Premises Diagram).	<i>Percentage</i>	70	66	See 4.2.4 below.
4.2.1 The diagram shall be accurate, dimensioned and to scale (minimum scale 1/8"). The scale may be smaller if the proposed location exceeds more than a 1/2 acre parcel but must not be printed on larger than an 11" x 17" sheet of paper. (Blueprints and engineering site plans are not required at this point of the application process).				
4.2.2 The diagram must be drawn to scale and clearly identify property boundaries, entrances, exits, interior partitions, walls, rooms, windows and doorways. The activity in each room and the location of all cameras must be identified on the diagram.				
4.2.3 Description of cannabis activity that will be conducted in each area of the premise. Commercial cannabis activities that must be identified on the diagram/floor plan may include but are not limited to the following if applicable to the business operations; storage areas, batch sampling areas, loading/unloading of shipment areas, packaging and labeling, customer sales areas, training areas, employee break room areas, and testing areas.				
4.2.4 Limited-access areas, defined as areas in which cannabis goods are stored or held and only accessible to a licensee, its employee or contractors, and areas used for video surveillance monitoring and storage devices (Pursuant to CCR Title 16, Division 42, §5000 (m) Limited-Access Area and §5042. Limited-Access Area).				Limited-access areas were not identified on the security diagrams (pgs 92-96 of PDF File #3). They were described in the Security Plan on pgs 59-61, however points were deducted as they were required to be shown on the diagram.
4.2.5 Number and location of all video surveillance cameras.				
4.3 Identify intrusion alarm and monitoring system including the name and contact information for the monitoring company.	<i>All or none</i>	30	30	Addressed criteria.
4.4 Discuss whether the CCB will utilize the services of on-site security guards. Include in the discussions:	<i>Percentage</i>	70	70	Addressed criteria.
4.4.1 Number of guards				
4.4.2 Hours guards will be on-site				
4.4.3 Locations they will be positioned				
4.4.4 Their roles and responsibilities				
<b>Summary</b>	<p><b>The Security Plan was created by Dan Perez of GI Security. The Plan addressed operational security, ingress and egress access/perimeter security, product security, area specific access, security alarm and surveillance systems, and IT security. The business will utilize security cameras (indoor and outdoor), panic buttons and motion sensors as part of its security plan and will be monitored 24/7 by a GI Alarm security system. At least one security guard will be onsite during business hours and two during peak times.</b></p>			



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<b>5 Community Benefit Agreement and Local Equity Program (Pass/Fail)</b>				
5.1 Executed Cannabis Community Benefit Agreement and Local Equity Program	Pass/Fail	Required	Pass	Addressed criteria.
<b>Summary Applicant signed the Cannabis Community Benefit Agreement and Local Equity Program form.</b>				